++ Shipbuilding News ++

Samsung inks drillship-LNGC double

(http://www.asiasis.com/view_new.php?bbs_id=news&doc_num=15450)

John Fredriksen has splashed out potential $2.2bn in newbuilding orders at Samsung Heavy Industries for LNGC and drillship. Seadrill, the shipping magnate's offshore drilling company, has ordered two deepwater drillships at the South Korean shipbuilder worth below $600m each. The two drillships are due delivery in the second and third quarter 2014. The order includes an option for a third drillship also for handover in 2014. Moreover, Seadrill says it is now in discussions with "several shipyards" to further increase its rig availability in 2014 and thereafter. Meanwhile, Golar LNG has ordered a further two 160,000cbm LNG carriers at Samsung for $400m, or $200m each. The first of the carriers is scheduled for delivery in the second quarter of 2014 and the second sometime in early 2015. Golar LNG said that, subject to declaration deadlines, each contract also comes with an option for a further carrier for 2015 delivery. Attached to both options is the right to select an FSRU alternative and the vessel contracted for delivery in early 2015 also comes with the option for construction as an FSRU. Fredriksen said the new orders at Samsung give Golar LNG a total of 13 newbuilings and a further four options.

Hyundai Mipo pens two LPGCs

(http://www.asiasis.com/view_new.php?bbs_id=news&doc_num=15459)

Hyundai Mipo Dockyard is known to have won two 20,550-cbm ice-class LPG carriers from Russian state-owned Sovcomflot, with delivery by the third quarter 2013. The newbuilding price is unrevealed. It seems that the South Korean shipbuilder focuses on sales of its LPG carriers, having contracted a total of three orders since October 2011, including the recent one. Meanwhile, Hyundai Mipo inked five 75,000-dwt product carriers from Sovcomflot-Glencore JV.

++ Shipping News ++

Asians target Americas trade

(http://www.tradewindsnews.com/firstpage/664466/asians-target-americas-trade?lots=site)

Four major Asian liner operators are poised to launch a new service to target trade between the US and South America. Asian liner players are looking to tap into US-Brazil trade Evergreen, NYK, Hanjin and Hyundai Merchant Marine (HMM) will launch the Atlantic North South Service (ANS) later this month. Brazil is the US' eighth largest trading partner with trade worth around $75bn a year, or about 2% of total US trade. Last year the two countries signed a trade pact in a bid to boost commerce between the western hemisphere's two largest economies. The new ANS service, commencing from Norfolk on 22 March, marks a return to the North America-South America market for Evergreen. The participating liner operators say they intend to deploy a total of six 2,100-teu capacity container vessels on the service. Evergreen will deploy a single vessel, as will South Korean players Hanjin and HMM. Japanese giant NYK will deploy three ships. The port rotation will be: Norfolk, New York, Savannah, Miami and Caucedo in the Dominican Republic.

Sekimizu urges selection of CO2 market-based measure by 2013

(http://www.lloydslist.com/ll/sector/regulation/article392363.ece)

INTERNATIONAL Maritime Organization secretary-general Koji Sekimizu has called on member countries to work together to find a suitable market-based measure to curb shipping's emissions by next year. Mr Sekimizu used his opening speech of this week's marine environment protection committee to call on its participants to intensify efforts to make progress in deciding on a global market-based measure which can be applied to all ships, saying a decision on which solution is most suitable needs to be made by next year. MEPC participants will be looking at a number of potential market based measures that can be applied to shipping, including an international emissions trading scheme and a levy that can be applied to fuels.

++ Finance News ++

Asia will plug the finance gap, but selectively

(http://www.lloydslist.com/ll/sector/finance/article392403.ece)

A QUESTION has hovered beneath most discussions of ship finance for more than a year. Will Asian banks plug the gap left by European financial institutions in ship lending? The answer, by way of bankers and private equity fund managers at a Marine Money conference in Hong Kong Tuesday, is that Japan looks more positive than previously thought, China will do so selectively and conservatively, and South Korea has effectively made the choice to exit 'industrial shipping' in a bid to capture the high value end of the market, which includes liquefied natural gas vessels, offshore vessels and mega-containerships. "Regarding industrial shipping, South Korean shipyards are leaving the business," said Julian Proctor, managing director, Tiger Group Investments. Stressing the importance in this era of export credit-linked financing, he said that Japanese exim lenders appear to have made a "policy decision" to support larger shipyards, because it was in the national interest to improve Japan's export market. He said that these yards are likely to get state-backed financing, essential to a shipowner seeking private sector financing to complete the deal. He inserted a question mark around China's yard-linked ship financing activities. China banks have enormous liquidity – the deepest pockets in the world – but in reality "availability has been limited." Playing into the reluctance was a tighter banking regulatory environment in China last year. That appears to be loosening slightly after two successive cuts in the banks' capital reserve ratios since December. But how much actual support China's policy banks will lend to its shipbuilding industry "is still a question", according to Mr Proctor.

CMA CGM rescuer wants substantial changes

(http://www.ft.com/intl/cms/s/0/130b6674-5e43-11e1-85f6-00144feabdc0.html#axzz1nfAOzI3V)

The entrepreneur who rescued CMA CGM from insolvency has warned that the world's third-largest container ship operator by capacity needs to make substantial adjustments to reflect his influence and make it more "healthy and dynamic." Robert Yildirim, of Turkey's Yildirim Group, also confirmed that he had blocked plans last year by Jacques Saadé, the Lebanon-born founder of the Marseilles-based line, to buy up to 20 large, new ships for use after the Panama Canal expands in 2015. Mr Yildirim said that while he agreed with the principle of buying new ships, the timing – coinciding with a glut of ships that has sent ship earnings plummeting – was wrong. CMA CGM's

frantic ship ordering in the run-up to the 2008 financial crisis was a major factor in bringing it close to insolvency in 2009, when container volumes fell sharply for the first time in the industry's history.

Maersk Tankers posts hefty loss as capacity glut cuts earnings

(http://www.lloydslist.com/ll/sector/tankers/article392340.ece)

MAERSK Tankers has slipped further into the red after making a loss of $151m in 2011, citing "difficult market conditions due to excess capacity in most tanker segments". The loss was $33m worse than the loss recorded by the company in 2010. The loss for Maersk's tanker business came as the AP Moller-Maersk group posted a profit of $3.4bn, down from $5bn in 2010. Meanwhile, Maersk said its liquefied natural gas business and its floating production, storage and offloading business made a profit of $8m in 2011, a huge improvement from the loss of $242m in 2010. However, Maersk sold its LNG business, which comprised eight vessels, for $1.4bn. The sale is expected to be completed in the first quarter of this year.

More red ink forecast for Maersk Line as losses return in 2011

(http://www.lloydslist.com/ll/sector/containers/article392303.ece)

MAERSK Line faces a long haul back to profit with another loss forecast for 2012 after sinking into the red last year as freight rates collapsed and fuel prices soared. Parent company AP Moller-Maersk, whose shares fell by around 5% as the full extent of its container shipping losses was revealed, is calling for more industry consolidation to stabilise the volatile and fragmented liner trades. Full-year figures for the shipping and energy group dropped sharply as its box division, comprising Maersk Line, Safmarine, MCC and Seago Line and total fleet capacity of 2.5m teu, saw a rapid reversal of its financial position. Losses from container activities soared to $602m after tax in 2011, in contrast to a $2.6bn profit in 2010. The situation worsened quarter by quarter, from a profit of $438m in the first three months of 2011, to a loss of $633m in the October-December period. The losses, which reflect a price war throughout much of 2011, left parent AP Moller-Maersk with a 33% drop in group profits to $3.4bn from $5bn in 2010. Looking ahead, the Danish conglomerate said it expected group results to be even lower this year, with its liner business likely to produce another negative figure because of excess capacity.

Cost increases nearly wipe out revenue gains for Samudera

(http://www.lloydslist.com/ll/sector/containers/article392366.ece)

INDONESIAN regional container line Samudera Shipping Line saw its profits rise by a third last year to reach $12.6m, thanks to the profitable sale of a large number of containers. However, the figures masked a decline in operational performance. SSL handled 1.4m teu in 2011, up from 1.3m the year before. As a result, revenue grew by 23% to reach $454.2m. These gains were completely wiped out, however, by an increase in the cost of sales, a development SSL chalked up to the growing price of bunker fuel, stevedoring and vessel charter hire rates. As a result, gross profit actually declined in 2011 from $28.4m to $27.8m. However, unusual gains on the sale of a number of containers which netted SSL $4.6m pushed annual profits up enough to headline its results statement with a substantial profit increase.